

# Audit of Accounts Report – Swansea Bay University Local Health Board

Audit year: 2023-24

Date issued: July 2024

Document reference: 4341A2024



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# About Audit Wales

## Our aims and ambitions

### Assure



the people of  
Wales that public  
money is well  
managed

### Explain



how public  
money is being  
used to meet  
people's needs

### Inspire



and empower  
the Welsh  
public sector to  
improve



Fully exploit  
our unique  
perspective,  
expertise and  
depth of insight



Strengthen our  
position as an  
authoritative,  
trusted and  
independent  
voice



Increase our  
visibility,  
influence and  
relevance



Be a model  
organisation for  
the public sector  
in Wales and  
beyond

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# Introduction

I have now largely completed my audit in line with my Audit Plan dated April 2024.

This Audit of Accounts Report summarises the main findings from my audit of your 2023-24 annual report and accounts. My team have already discussed these issues with the Director of Finance and his team.

I am very grateful to your officers for their support in undertaking this audit.



**Adrian Crompton**  
Auditor General for  
Wales

# Your audit at a glance



## Audit opinions

We are proposing to issue an unqualified true and fair opinion but a qualified regularity opinion on the accounts. In line with prior years, the regularity opinion is qualified because the Health Board did not meet its revenue resource allocation over the three-year period ending 2023-24.

We have nothing to report under the other sections of my report, ie those relating to going concern; other information; other matters; or matters I report by exception.

We are also proposing to issue a substantive report because in line with prior years, the Health Board did not meet its first and second financial duties to operate within its revenue resource allocation over the three-year period ending 2023-24, and to have an approved three-year integrated medium-term plan.



## Significant issues

There are two uncorrected misstatement to report.



## Materiality

Materiality £15.97 million

Reporting threshold ('trivial') £0.8 million

Areas of specific interest:

- Remuneration report £5,000
- Related party disclosures (transactions relating to individuals) £10,000

# Financial statements' materiality



## Materiality £15.97 million

My aim is to identify and correct material misstatements, ie those that might otherwise cause the user of the accounts to be misled.

Materiality is calculated using:

- 2023-24 gross expenditure of £1,596 million
- Materiality percentage of 1%

I apply the materiality percentage to gross expenditure to calculate materiality.

I will report to you any misstatements above £0.8 million, calculated as 5% of materiality (called the 'trivial level').



## Areas of specific interest

There are some areas of the accounts that may be of more importance to the user of the accounts. We set lower materiality levels for these as follows:

- Remuneration report £5,000
- Related party disclosures (transactions relating to individuals) £10,000

# Ethical compliance



## Compliance with ethical standards

We believe that:

- we have complied with the ethical standards we are required to follow in carrying out our work;
- we have remained independent of yourselves;
- our objectivity has not been comprised; and
- we have no relationships that could undermine our independence or objectivity.

In our Audit Plan, we explained that one of our trainees was undertaking a secondment with you.

To guard against any potential threats to our independence or objectivity, we agreed the following safeguards:

- the secondee will not have any management responsibilities; and
- the secondment will be short-term (no more than 12-months).

# Proposed audit opinion



## Audit opinion

We intend to issue an unqualified true and fair opinion but a qualified regularity opinion on the accounts once you have provided us with a Letter of Representation (see below). In line with prior years, the regularity opinion is qualified because the Health Board did not meet its revenue resource allocation over the three-year period ending 2023-24.

We have nothing to report under the other sections of my report, ie those relating to going concern; other information; other matters; or matters I report by exception.

We are also proposing to issue a substantive report because in line with prior years, the Health Board did not meet its first and second financial duties to operate within its revenue resource allocation over the three-year period ending 2023-24 and have an approved three-year integrated medium-term plan.

Our proposed audit report is set out in **Appendix 1**.



## Letter of representation

A Letter of Representation is a formal letter in which you confirm to us the accuracy and completeness of information provided to us during the audit. Some of this information is specified as being necessary by auditing standards; other information may relate specifically to your audit.

The letter we are requesting you to sign is included in **Appendix 2**.

# Issues arising during the audit



## Misstatements

### Uncorrected misstatements

There are two uncorrected misstatements identified in the accounts.

#### Research and Development accruals

We tested a Research and Development accrual from Note 3.3, with a value of £195k. No supporting evidence for this accrual could be provided. We therefore tested an additional accrual of £905k and again no supporting evidence was able to be provided. The total value of Research and Development accruals in the accounts is £5.01m. Based on the testing undertaken we are unable to verify the validity of the balance. Expenditure shown within Note 3.3 for these Research and Development accruals is matched by amount in Note 4 Income.

As we are unable to obtain evidence to support this £5.1m of expenditure (and associated income), we are unable to conclude that the balance is appropriate. Given that expenditure is matched by income there is no net impact on the accounts.

#### Intangible Assets

Testing of 'Assets Under Construction' within Note 11.1 'Property, Plant and Equipment' identified one asset (£1.32m) which had been incorrectly classified. This asset should be included within Note 12 'Intangible Assets'. The nature of the error is classification and therefore has no overall net effect on the balances within the Primary Statements.

### Corrected misstatements

During our audit, we identified misstatements that have been corrected by management, but which we consider should be drawn to your attention.

These are set out in **Appendix 3**.



## Other significant issues

In addition to misstatements identified during the audit we also report other significant issues to you.

There were no such issues identified during the audit.

The majority of working papers were prepared in readiness for the start of the audit process but not all. In order to manage this, Audit Wales and the Finance department worked collaboratively to an agreed timescale for the delivery of working papers to manage the early stages of the audit. In this respect, we would like to thank the Finance team for their hard work in both the preparation of the financial statements and the supporting working papers.

We are conscious that Audit Wales, coupled with the expectations of the NHS as a whole, are preparing to bring forward the audit deadline further as part of the 2024-25 accounts audit process. In order to meet these deadlines, it will be imperative that working papers are fully complete and available at the commencement of the audit.

We have not raised a recommendation in respect of this issue. We will pick this issue up as part of our interim audit next year to assess the position.

# Appendix 1

## Proposed audit report

### The Certificate and report of the Auditor General for Wales to the Senedd

#### Opinion on financial statements

I certify that I have audited the financial statements of Swansea Bay University Local Health Board for the year ended 31 March 2024 under Section 61 of the Public Audit (Wales) Act 2004.

These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Taxpayers' Equity and related notes, including a summary of material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the state of affairs of Swansea Bay University Local Health Board as at 31 March 2024 and of its net operating costs for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

#### Opinion on regularity

In my opinion, except for the matter described in the Basis for Qualified Regularity Opinion section of my report, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

#### Basis for Qualified Opinion on regularity

I have qualified my opinion on the regularity of Swansea Bay University Local Health Board's financial statements because the Health Board has breached its resource limit by spending £39.375 million over the £3,519 million that it was authorised to spend in the three-year period 2021-2022 to 2023-2024. This spend constitutes irregular expenditure.

Further detail is set out in my attached Report.

#### Basis for opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of the Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for Swansea Bay University Local Health Board is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

## Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Chief Executive is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion, the part of the remuneration report to be audited has been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

In my opinion, based on the work undertaken in the course of my audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers' directions; and;
- the information given in the Foreword, Accountability Report and Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with Welsh Ministers' guidance.

## Matters on which I report by exception

In the light of the knowledge and understanding of the Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Foreword and Accountability Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Accountability Report are not in agreement with the accounting records and returns;
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed;

- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made or parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## **Responsibilities of Directors and the Chief Executive for the financial statements**

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities, the Directors and the Chief Executive are responsible for:

- maintaining adequate accounting records
- the preparation of financial statements and annual report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the annual report and financial statements as a whole are fair, balanced and understandable;
- ensuring the regularity of financial transactions;
- internal controls as the Directors and Chief Executive determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors and Chief Executive] anticipate that the services provided by the Board will not continue to be provided in the future.

## **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the National Health Service (Wales) Act 2006.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the audited entity's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Swansea Bay University Local Health Board policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: expenditure recognition, posting of unusual journals and biases in accounting estimates;
- Obtaining an understanding of Swansea Bay University Local Health Board's framework of authority as well as other legal and regulatory frameworks that the Swansea Bay University Local Health Board operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Swansea Bay University Local Health Board;
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, those charged with governance and legal advisors about actual and potential litigation and claims;

- reading minutes of meetings of those charged with governance and the Board; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Swansea Bay University Local Health Board controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## **Other auditor's responsibilities**

I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## **Report**

Please see my Report on page 17.

Adrian Crompton

Auditor General for Wales

12 July 2024

1 Capital Quarter

Tyndall Street

Cardiff

CF10 4BZ

## Report of the Auditor General to the Senedd

### Introduction

Under the Public Audit Wales Act 2004, I am responsible for auditing, certifying and reporting on Swansea Bay University Local Health Board's (the LHB's) financial statements. I am reporting on these financial statements for the year ended 31 March 2024 to draw attention to key matters for my audit. These are the failure against the first financial duty and consequential qualification of my 'regularity' opinion and the failure of the second financial duty. I have not qualified my 'true and fair' opinion in respect of any of these matters.

### Financial duties

Local Health Boards (LHBs) are required to meet two statutory financial duties – known as the first and second financial duties.

For 2023-24, the LHB failed to meet both the first and the second financial duty.

#### Failure of the first financial duty

The **first financial duty** gives additional flexibility to LHBs by allowing them to balance their income with their expenditure over a three-year rolling period. The three-year period being measured under this duty this year is 2021-2022 to 2023-2024.

As shown in Note 2.1 to the Financial Statements, the LHB did not manage its revenue expenditure within its resource allocation over this three-year period, exceeding its cumulative revenue resource limit of £3,519 million by £39.374 million.

Where an LHB does not balance its books over a rolling three-year period, any expenditure over the resource allocation (i.e. spending limit) for those three years exceeds the LHB's authority to spend and is therefore 'irregular'. In such circumstances, I am required to qualify my 'regularity opinion' irrespective of the value of the excess spend.

#### Failure of the second financial duty

The **second financial duty** requires LHBs to prepare and have approved by the Welsh Ministers a rolling three-year integrated medium-term plan. This duty is an essential foundation to the delivery of sustainable quality health services. An LHB will be deemed to have met this duty for 2023-24 if it submitted a 2023-24 to 2025-26 plan approved by its Board to the Welsh Ministers, who were required to review and consider approval of the plan.

As shown in Note 2.3 to the Financial Statements, the LHB did not meet its second financial duty to have an approved three-year integrated medium-term plan in place for the period 2023-24 to 2025-26.

**Adrian Crompton**

**Auditor General for Wales**

**12 July 2024**

# Appendix 2

## Final letter of representation

[Audited body's letterhead]

Auditor General for Wales  
Wales Audit Office  
1 Capital Quarter  
Tyndall Street  
Cardiff  
CF10 4BZ

11 July 2024

## Representations regarding the 2023-24 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Swansea Bay University Local Health Board (the Health Board) for the year ended 31 March 2024 for the purpose of expressing an opinion on their truth and fairness, their proper preparation and the regularity of income and expenditure.

We confirm that, to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

## Management representations

### Responsibilities

As Chief Executive and Accountable Officer I have fulfilled my responsibility for:

- preparing the financial statements in accordance with legislative requirements and the Treasury's Financial Reporting Manual. In preparing the financial statements, I am required to:
  - observe the accounts directions issued by Welsh Ministers/HM Treasury, including the relevant accounting and disclosure requirements, and apply appropriate accounting policies on a consistent basis;
  - make judgements and estimates on a reasonable basis;
  - state whether applicable accounting standards have been followed and disclosed and explain any material departures from them; and
  - prepare them on a going concern basis on the presumption that the services of the Health Board will continue in operation.
- ensuring the regularity of any expenditure and other transactions incurred.

- the design, implementation and maintenance of internal control to prevent and detect error.

## Information provided

We have provided you with:

- full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- our knowledge of fraud or suspected fraud that we are aware of and that affects the Health Board and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- the identity of all related parties and all the related party relationships and transactions of which we are aware.
- our knowledge of all possible and actual instances of irregular transactions.

## Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data, and the significant assumptions used in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor, accounted for, and disclosed in accordance with the applicable financial reporting framework.

There are two uncorrected misstatements in the financial statements. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of the uncorrected misstatements is set out below:

- **Research and Development Expenditure** – Audit testing of a sample of Research and Development Expenditure in Note 3.3 identified two errors totalling £1.1m for which there was no supporting evidence. From the testing, the issue appears to be isolated to one area of Research & Development accruals. The total value included in the accounts is £5.081m, with a corresponding amount in Note 4 Income.

As Audit Wales are unable to obtain evidence to support this £5.081m of expenditure, they are unable to conclude that this is true and fair. There is a corresponding amount in Note 4 Income and so there would be no net effect on the overall balances within the primary statements.

The Health Board has chosen not to amend for this on the basis that it is below the materiality threshold and due to the absence of a key member of staff, we have been unable to provide the necessary backing to respond to the audit queries in this area, and make any required changes to the financial statements.

We recognise the need that this situation does not occur in future years and are already putting in steps to mitigate the risk going forward.

- **Intangible Assets** – Testing of Assets Under Construction in Note 11.1 identified one asset (£1.32m) which has been incorrectly reclassified within Note 11.1 Property, Plant and Equipment. The testing identified that this asset should be included within Note 12 Intangible Assets. The nature of the error is classification only and has no effect on overall balances within the Primary Statements.

The Health Board has chosen not to amend for this as it is simply a classification amendment. There is no impact on the financial statements, and the total asset value is correct overall.

## Representations by those charged with governance

We acknowledge that the above representations made by management have been discussed with us.

We acknowledge our responsibility for ensuring that the company maintains adequate accounting records.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Health Board on 11 July 2024.

We confirm that we have taken all necessary steps to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Chief Executive as Accountable Officer

Date:

Signed by:

Chair of Board

Date:

# Appendix 3

## Summary of corrections made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention.

Value of correction	Accounts areas	Explanation
£2,513,000 (No overall effect on the primary statements)	<b>Note 9.1 Employee Costs</b> Note 9.1 was amended to re-classify £2,513,000 from 'Other Salaries and Wages' line to 'Permanent Staff' line to ensure agreement to the underlying records.  There was no overall effect on the total as a result of this amendment.	To ensure accuracy of the financial statements.
Various (No overall effect on the primary statements)	<b>Note 9.5 Exit Packages &amp; Remuneration Report</b> Note 9.5 and the associated disclosures in the Remuneration Report were amended as follows to ensure agreement to the underlying records: <ul style="list-style-type: none"><li>• The total number of exit packages less than £10,000 was amended from NIL to 14;</li><li>• The cost of the total exit packages less than £10,000 was increased from NIL to £36,019.</li></ul> As this is a disclosure note, there was no overall effect on the primary statements.	To ensure accuracy of the financial statements.

Value of correction	Accounts areas	Explanation
<p>£952,000 (No overall effect on the primary statements)</p>	<p><b>Note 18 Trade and Other Payables &amp; Note 15 Trade and Other Receivables</b> – Money owed to patients was incorrectly included as a negative creditor within Note 18 rather than as a debtor. An amendment was made to Note 18 and an equal and opposite entry to Note 15 to correctly reflect this position. There was no overall effect on the primary statements.</p>	<p>To ensure accuracy of the financial statements</p>
<p>£10,900,000 (Amendment to Statement of Financial Position, Note 20 and Note 21)</p>	<p><b>Note 20 Provisions and Note 21 Contingent Liabilities</b> Audit testing identified that a Clinical Negligence case (for £10,900,000) had been included as a Provision in Note 20 instead of as a Contingent Liability in Note 21. As a result, Note 20 was decreased by £10,900,000 and Note 21 increased by the same amount.  There was no overall effect on the primary statements.</p>	<p>To ensure accuracy of the financial statements.</p>
<p>£2,233,000</p>	<p><b>Note 23 Losses and Special Payments</b> Note 23 was amended to agree to the underlying</p>	<p>To ensure accuracy of the financial statements.</p>

Value of correction	Accounts areas	Explanation
(No overall effect on the primary statements)	records. This has reduced the total losses and special payments balance from £12,088,000 to £9,855,000. As this is a disclosure note, there was no overall effect on the primary statements.	
£71,000 (No overall effect on the primary statements)	<b>Note 30 Related Parties</b> Note 30 was amended to ensure that disclosures for expenditure to Related Parties were accurate.  The expenditure for Coastal Housing was reduced by £71,000 to £161,000 from £232,000  As this is a disclosure note, there was no overall effect on the primary statements.	To ensure accuracy of the financial statements.
Various (No overall effect on the primary statements)	A number of other minor amendments were made to the financial statements relating to either revisions to disclosures of information, narrative changes or typing errors.	To ensure accuracy of the financial statements.
Various (No overall effect on the primary statements)	A number of amendments were made to the remuneration and staff report relating to either revisions to disclosures of information, narrative changes or typing errors.	To ensure accuracy of the remuneration and staff report.



# Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD\*, and our Chair acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2023](#).



## Our People

The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

- Selection of right team
- Use of specialists
- Supervisions and review



## Arrangements for achieving audit quality

The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support



## Independent assurance

The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.






- EQCRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

\* QAD is the quality monitoring arm of ICAEW.

# Supporting you

Audit Wales has developed a range of resources to support the scrutiny of Welsh public bodies and to support those bodies in continuing to improve the services they provide to the people of Wales.

## Visit our website to find:

	our <a href="#">Good Practice</a> work where we share emerging practice and insights from our audit work in support of our objectives to assure, to explain and to inspire.
	our <a href="#">newsletter</a> which provides you with regular updates on our public service audit work, good practice, and events.
	our <a href="#">publications</a> which cover our audit work completed at public bodies.
	information on our <a href="#">forward performance audit work programme 2023-2026</a> which is shaped by stakeholder engagement activity and our picture of public services analysis.
	various <a href="#">data tools</a> and <a href="#">infographics</a> to help you better understand public spending trends including a range of other insights into the scrutiny of public service delivery.

You can find out more about Audit Wales in our [Annual Plan 2024-25](#) and [Our Strategy 2022-27](#).





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We welcome correspondence and telephone calls in Welsh and English.  
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.